



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: June 6, 2002

TO: Legislative Finance Committee

FROM: Lorene Thorson

RE: Appropriation Transfers

The Department of Justice requests a transfer of \$112,894 from fiscal 2003 funds to fiscal 2002 for costs associated with boarding prisoners in county detention facilities. The legislature appropriated \$1,039,779 for prisoner per diem in fiscal 2002. This was \$40,000 less than the original request by the Highway Patrol, as \$40,000 was used each year to help fund the mail renewal notices sent by the Motor Vehicle Division.

The department is required to pay county detention costs for prisoners arrested by the Montana Highway Patrol. Statute sets the boarding cost as a "rate that is agreed upon by the arresting agency and the detention center and that covers the reasonable costs of confinement, excluding capital construction costs". The Department of Corrections renews the contracts with county detention facilities annually and the rates have increased throughout the years. The department states new contracts signed in fiscal 2002 are increasing an average of 13 percent. The only way the department can control these costs is by limiting the number incarcerated. The department is in the process of implementing such a cost reduction incarceration policy and the change in policy is part of the budget reduction proposal. Fewer inmate days should result, thereby reducing prisoner per diem costs.

This request is exempt from the requirement in statute that an agency present a plan for reducing expenditures in the second year of the biennium that "allows the agency to contain expenditures within appropriations". This exemption is found in 17-7-301(2)(c)(ii), MCA.

The Department of Justice has carryforward funds of \$59,240 from fiscal 2000 and \$165,567 from fiscal 2001, which could be used to offset the additional prisoner per diem costs. The department states that the carryforward funds will be used to offset other deficiencies within the department. The possible uses would be to reduce the impact of the 5 percent vacancy savings, payout costs from any RIF situation that will occur with the 3.5 percent reduction per 17-7-140, MCA, and offset non-budgeted inflation increases in the areas of paper and postage.